

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00  
EB-08 FMC-01 INR-10 NSAE-00 CG-00 DLOS-09 OES-07  
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TO SECSTATE WASHDC 8109  
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E.O. 11652: N/A. DECONTROL 1-1-80  
TAGS: EWWT, PEPR, MT, UR  
SUBJECT: GOM ORDERS TWO SOVIET SHIPPING LINES TO SUSPEND  
- THEIR OPERATIONS IN MALTA.

REF: A) 77 VALLETTA A-51 (NOTAL); B) 77 VALLETTA A-44

1. SUMMARY: THE GOVERNMENT OF MALTA LAST WEEK ORDERED THE SOVIET-OWNED RINELA CONTAINER LINE AND BLACK SEA STEAMSHIP COMPANY TO SUSPEND THEIR SERVICES BETWEEN MALTA AND THEIR EUROPEAN, NORTH AMERICAN AND FAR EASTERN DESTINATIONS. THE ACTION WAS INSTIGATED BY SEA MALTA, THE GOM-OWNED SHIPPING LINE, IN RESPONSE TO WHAT IT CONSIDERED UNFAIR COMPETITION (PRICE CUTTING) FROM THE RINELA CONTAINER LINE. A DELEGATION FROM SOVINFLLOT, THE SOVIET SHIPPING ORGANIZATION, IS SCHEDULED TO VISIT MALTA IN EARLY MAY TO DISCUSS THE SITUATION WITH SENIOR OFFICIALS OF SEA MALTA. WHILE THE GOM SUSPENDED THESE SHIPPING SERVICES PRIMARILY FOR ECONOMIC REASONS, POLITICAL RELATIONS BETWEEN MALTA AND THE SOVIET UNION MAY SUFFER SOMEWHAT AS WELL. END SUMMARY.

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2. THE GOVERNMENT OF MALTA ANNOUNCED ON APRIL 5 THAT IT HAS ASKED TWO RUSSIAN SHIPPING LINES WHICH PROVIDED CONTAINER SERVICE BETWEEN MALTA AND A VARIETY OF PORTS TO SUSPEND THEIR SERVICE TO AND FROM MALTA IMMEDIATELY. THE COMPANIES AFFECTED ARE THE RINELA CONTAINER LINES OF THE LATVIAN SHIPPING COMPANY, WHICH OPERATED BETWEEN THE UK, ANTWERP, AND ROTTERDAM AND MALTA, AND THE BLACK SEA STEAM-

SHIP COMPANY, WHICH PROVIDED BIWEEKLY CONTAINER SERVICE FROM THE US AND CANADA TO MALTA (THROUGH THE MED ATLANTIC LINE AND THE GULF MED LINE) AND FEEDER SERVICE TO PORTS IN THE EASTERN MEDITERRANEAN AND THE FAR EAST USING MALTA AS A TRANSSHIPMENT POINT.

3. THE CHAIRMAN OF SEA MALTA (MAJORITY OWNED BY THE GOVERNMENT OF MALTA) STATED THAT HIS COMPANY ASKED THE GOM TO HAVE THE SERVICE SUSPENDED BECAUSE OF THE RUSSIAN LINES' UNFAIR COMPETITIVE PRACTICES, SPECIFICALLY IN OFFERING FREIGHT RATES SUBSTANTIALLY BELOW THOSE OF SEA MALTA. SEA MALTA COMPETES DIRECTLY WITH THE RINELA CONTAINER LINE FOR NORTHERN EUROPE/MALTA FREIGHT BUSINESS. HE ASSERTED THAT NUMEROUS OTHER COUNTRIES WERE TAKING SIMILAR ACTION AGAINST THE RUSSIANS. HE ALSO MENTIONED THAT THE RUSSIAN SHIPPING ORGANIZATION, SOVINFLOT, WILL SEND A DELEGATION OF SENIOR OFFICIALS TO MALTA IN EARLY MAY TO DISCUSS THE SUSPENSION.

4. ACCORDING TO RELIABLE SOURCES, THE SUSPENSION WILL NOT AFFECT VESSELS COMING TO MALTA DIRECTLY FROM THE SOVIET UNION. (NOTE: THIS SERVICE DOES NOT COMPETE WITH SEA MALTA OR ANY OTHER NON-SOVIET SHIPPERS.)

5. COMMENT: THE SUSPENSION OF SOVIET CONTAINER SHIP SERVICE TO MALTA WAS CLEARLY ORDERED FOR ECONOMIC REASONS, LIMITED OFFICIAL USE

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I.E. IN RESPONSE TO WHAT THE GOM CONSIDERED ARTIFICIALLY LOW FREIGHT RATES. IT REMAINS TO BE SEEN, HOWEVER, HOW THE UNILATERAL SUSPENSION WILL AFFECT MALTESE/SOVIET RELATIONS OR MALTA'S EFFORTS TO BECOME A MAJOR MID-MEDITERRANEAN TRANSHIPMENT CENTER, ESPECIALLY FOR CONTAINER TRAFFIC. LAINGEN

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## Message Attributes

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**Disposition Approved on Date:**  
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